



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

December 17, 1980

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION



114025

Mr. R. Max Peterson
Chief, U.S. Forest Service
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Mr. Peterson:

Subject: Proposed Forest Service Land Exchange Involving
the Chattahoochie National Forest in Georgia

At the request of Congressman Larry P. McDonald we are currently reviewing a proposed Forest Service land exchange (case number A-2064) involving the Chattahoochie National Forest in Georgia. The proposal calls for Ben Foster, et al, the owners of 1,330 acres of private property in Chattooga, Walker, and Whitfield Counties, to swap that land in exchange for 667 acres of Forest Service land within the National Forest. The exchange is proposed under authority of the Weeks Law, as amended (16 U.S.C. 516), and the Federal Land Policy and Management Act of October 21, 1976, (43 U.S.C. 1716).

Although we have not completed our review, we have noted certain matters which we believe make it inappropriate for the proposed exchange to go forward and be consummated on the present basis.

The proposed exchange, involving Forest Service land appraised at \$328,000, was approved by the Secretary of Agriculture on September 3, 1980, and was submitted to the Senate and House oversight committees on September 5, 1980. In the interim, certain questions have arisen concerning the value placed on the Forest Service land pursuant to Section 17(b) of the National Forest Management Act of 1976.

The Forest Service land was first appraised on November 30, 1979, at \$328,000 (value based on survey acres) by a Forest Service contract appraiser. Subsequently, at the request of the Forest Service, the contract appraiser was requested to update his prior appraisal. According to the updated appraisal dated November 14, 1980, there has been no increase in the value of the land in the past year--the Forest Service land is still appraised at \$328,000.

Neither of the appraisals considered the added value to the land of a road which is being built on the Forest Service land by Whitfield County and the Georgia Department of Transportation. On December 12, 1980, the Director of Operations for the Georgia Department of Transportation told us that a contract had been signed with Whitfield County for the road, that it is under construction, and that the Department will contribute about \$314,000 toward the construction.

The appraiser has indicated that the highest and best use of 357 acres of the Forest Service land would be future residential development and that this portion of the land will be bisected by the road. It seems to us that once the road is completed the value of the Forest Service land will increase significantly. This will give the Forest Service an opportunity, should it so desire, to acquire more private land for the National Forest System than would be obtained under the presently proposed exchange.

Because we believe that the proposed exchange would not be prudent or in the best interests of the Government, we recommend that you disapprove and terminate the exchange as presently proposed. Once the road is completed, the value of the Forest Service land can be redetermined by professional appraisers not previously involved in this matter and, if you believe it appropriate, new efforts to accomplish an exchange on an appropriately adjusted basis can be undertaken.

We would appreciate your informing us of the action taken on our recommendation.

Sincerely yours,


Oliver W. Krueger
Senior Group Director

cc: Inspector General